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**中國工商銀行(亞洲)**

**ICBC (Asia)**

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED**

**中國工商銀行(亞洲)有限公司**

*(Incorporated in Hong Kong with limited liability)*

### **Placing of existing shares and subscription for new shares**

The Company has entered into (i) the Placing Agreement under which the Vendor will sell 124,874,000 existing Shares at a price of HK\$11.25 per Share; and (ii) the Subscription Agreement under which the Vendor will subscribe for 124,874,000 new Shares at a price of HK\$11.25 per Share. The 124,874,000 existing Shares will be sold to independent professional, institutional and/or individual investors to be procured by the Placing Agents.

The gross proceeds of the Company of this placing and subscription is estimated to be approximately HK\$1,404.8 million. The Company intends to apply the net proceeds to finance the acquisition of Fortis Bank Asia HK as described in the Company's announcement dated 31 December 2003.

ICEA is held as to 75 per cent. equity interest by the Vendor and is considered a connected person to the Company (as defined in the Listing Rules). As a result, the Company's engagement of ICEA as a placing agent and underwriter will constitute a connected transaction of the Company.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 4 February 2004 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 5 February 2004.

## **PLACING AGREEMENT DATED 4 FEBRUARY 2004**

### **Parties**

- (i) The Vendor, a controlling shareholder of the Company;
- (ii) The Company;
- (iii) HSBC; and
- (iv) ICEA.

### **Number of shares to be placed**

124,874,000 existing Shares.

This is approximately 20% of the Company's existing issued ordinary share capital and approximately 16.67% of the Company's issued ordinary share capital as enlarged by the Subscription. The Company's existing issued ordinary share capital comprises 624,374,304 Shares and 202,219,218 convertible non-cumulative preference shares of nominal value HK\$5.00 each.

### **The placees**

Not less than six placees comprising independent professional, institutional and/or individual investors to be procured by the Placing Agents.

### **Placing Price**

HK\$11.25 per Share. This is determined on an arm's length basis.

This represents a discount of about 6.25% to the closing price of HK\$12.00 per Share quoted on the Stock Exchange on 3 February 2004, a discount of 7.1% to the average closing price of approximately HK\$12.11 per Share as quoted on the Stock Exchange from 28 January 2004 to 3 February 2004, both dates inclusive, being the last five trading days immediately prior to the date of this announcement and a discount of 7.79% to the average closing price of HK\$12.20 per Share as quoted on the Stock Exchange from 19 January 2004 to 3 February 2004, both dates inclusive, being the last ten trading days immediately prior to the date of this announcement.

The directors of the Company are of the opinion that the Placing price is fair and reasonable.

### **Rights**

The Shares will be sold free of any third party rights. The placees will receive all dividends and distributions declared, made or paid after the date of the Placing Agreement.

## **Independence of HSBC and the placees**

HSBC, the placees and the underlying beneficial owners of such placees are independent of and not connected with the Vendor or any person acting in concert with it. They are also independent of and not a connected person to the Company (as defined in the Listing Rules).

ICEA is held as to 75 per cent. equity interest by the Vendor and is considered a connected person to the Company (as defined in the Listing Rules). As a result, the Company's engagement of ICEA as a placing agent and underwriter constitutes a connected transaction of the Company.

The aggregated placing commission payable to ICEA under the Placing Agreement will amount to less than the higher of HK\$10 million or 3 per cent. of the book value of the consolidated net tangible assets of the Company as disclosed in its latest published unaudited consolidated accounts as at 30 June 2003. Therefore, this connected transaction of the Company will only need to be disclosed in this announcement and in the Company's next published annual report and accounts in accordance with Rule 14.25(1)(A) to (D) of the Listing Rules and no independent shareholders' approval will be required.

The board of directors (including the independent non-executive directors) of the Company is of the opinion that the connected transaction is entered into on normal commercial terms and that the placing commission mentioned above is arrived at after an arm's length negotiation and is fair and reasonable. Further, entering into this connected transaction is in the interests of the Company and its shareholders as a whole.

## **Completion of placing**

It is expected that the Placing will be completed on or around 9 February 2004.

## **Termination events**

The obligation of the Placing Agents to proceed to completion of the Placing is subject to, amongst other things, there not having come to the attention of the Placing Agents at any time prior to Completion any material breach by the Company or the Vendor of any of certain representations, warranties or undertakings under the Placing Agreement, there being no adverse change in the management, business, stockholders' equity or in the financial position of the Company and its subsidiaries as a whole which is, in the reasonable opinion of the Placing Agents, materially prejudicial to the success of the Placing, or the Announced Agreement being terminated or a party to it becoming entitled to terminate, it in each case occurring prior to the date of the completion of the Placing.

## **SUBSCRIPTION AGREEMENT DATED 4 FEBRUARY 2004**

### **Parties**

- (i) The Vendor, a controlling shareholder of the Company; and
- (ii) The Company.

## **Number of new shares subscribed for by the Vendor**

124,874,000 new Shares.

This represents approximately 20% of the Company's existing issued ordinary share capital, and approximately 16.67% of its issued ordinary share capital as enlarged by the Subscription.

## **Subscription Price**

HK\$11.25 per Share, which is equivalent to the Placing price. The Company will pay the costs and expenses of the Subscription, and will repay to the Vendor its costs and expenses of the Placing after deducting therefrom interest (if any) accrued and received by the Vendor on the net proceeds of the Placing during the period between completion of the Placing and completion of the Subscription. The aggregate costs and expenses of the Subscription and the Placing are estimated to be approximately HK\$26.8 million.

## **Mandate to issue new shares**

The new Shares will be issued under the general mandate granted by the shareholders of the Company to the directors of the Company at the annual general meeting of the Company held on 16 April 2003.

## **Ranking**

The new Shares, when fully paid, will rank equally with all existing issued Shares.

## **Conditions of the Subscription**

The Subscription is conditional upon:

1. the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the new Shares; and
2. the completion of the Placing having occurred pursuant to the terms of the Placing Agreement.

Application will be made to the Stock Exchange for listing of, and permission to deal in, the new Shares.

## **Completion of Subscription**

Completion of the Subscription will take place on the date upon which the last of the conditions to be satisfied shall have been so satisfied, provided that completion will not be later than 14 days after the date of the Placing Agreement or such later date as the Company and the Vendor may agree in writing.

If the Subscription is not completed within 14 days after the date of the Placing Agreement, the Subscription would constitute a connected transaction for the Company under the Listing Rules.

### Effect of the Placing and the Subscription

The shareholdings in the Company before and after the Placing and the Subscription on the shareholding structure of the Company is summarised in the table below:

	At present		Immediately after Completion of the Placing but before Subscription		Immediately after Completion of the Placing and Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Vendor and its associates	398,489,478	63.82	273,615,478	43.82	398,489,478	53.18
Placees	—	—	124,874,000	20.00	124,874,000	16.67
Public	<u>225,884,826</u>	<u>36.18</u>	<u>225,884,826</u>	<u>36.18</u>	<u>225,884,826</u>	<u>30.15</u>
	<u>624,374,304</u>	<u>100</u>	<u>624,374,304</u>	<u>100</u>	<u>749,248,304</u>	<u>100</u>

### Reasons for the Placing and the Subscription

The directors of the Company believe the terms of the Placing and the Subscription, which have been negotiated on an arm's length basis in accordance with normal commercial terms, are fair and reasonable. The directors of the Company consider that the Placing and the Subscription will broaden the shareholder base and the capital base of the Company.

The gross proceeds of the Subscription is estimated to amount to approximately HK\$1,404.8 million. The Company intends to apply the net proceeds of approximately HK\$1,378 million (and, if necessary, its internal resources or other means of financing) to satisfy the cash portion of the consideration for the acquisition of Fortis Bank Asia HK, as described in the Company's announcement dated 31 December 2003.

The Company has not conducted any equity or equity-related fund-raising activities in the past 12 months. Having considered other alternatives for fund-raising, the directors of the Company believe the Placing and the Subscription are the most appropriate method for its present purposes.

### Information on the Company

The Company is a full licensed bank incorporated in Hong Kong and whose shares are listed on the Stock Exchange. The Company is principally engaged in banking, financial and financial related services with a focus on commercial and retail banking business as well as corporate banking business.

## **Suspension and resumption of trading**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 4 February 2004 pending the issue of this announcement.

Application has been made by the Company to the Stock Exchange for the resumption of trading in its Shares on the Stock Exchange from 9:30 a.m. on 5 February 2004.

## **Definitions**

“Announced Agreement”	the sale and purchase agreement dated 31 December 2003 entered into between the Company, Generale Belgian Holding B.V. and Fortis Bank pursuant to which the Company has conditionally agreed to acquire from Generale Belgian Holding B.V. the entire issued share capital of Fortis Bank Asia HK
“Company”	Industrial and Commercial Bank of China (Asia) Limited, a company incorporated under the laws of Hong Kong whose shares are listed on the Stock Exchange
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“ICEA”	ICEA Capital Limited, a deemed licensed corporation under the SFO licensed to conduct Types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placing”	The placing of 124,874,000 Shares by the Placing Agents, on behalf of the Vendor pursuant to the Placing Agreement
“Placing Agents”	HSBC and ICEA
“Placing Agreement”	The placing, and underwriting agreement dated 4 February 2004 entered into between the Vendor, the Company and the Placing Agents
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	Ordinary share(s) of nominal value HK\$2.00 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	The subscription of 124,874,000 new Shares by the Vendor pursuant to the Subscription Agreement

“Subscription Agreement”      The subscription agreement dated 4 February 2004 entered into between the Vendor and the Company

“Vendor”      The Industrial and Commercial Bank of China, an enterprise established under the laws of the People’s Republic of China

By Order of the Board  
**Industrial and Commercial Bank of China (Asia) Limited**  
**Dr. Jiang Jianqing**  
*Chairman*

Hong Kong, 4 February 2004

*Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Times.*